

# Other General Fund Revenue

**All Other Revenue**  
**Highway Patrol Fines**  
**Nursing Facilities Fee**  
**Public Institution Reimbursements**  
**Tobacco Settlement**



***Legislative Fiscal Division***





## ALL OTHER REVENUE

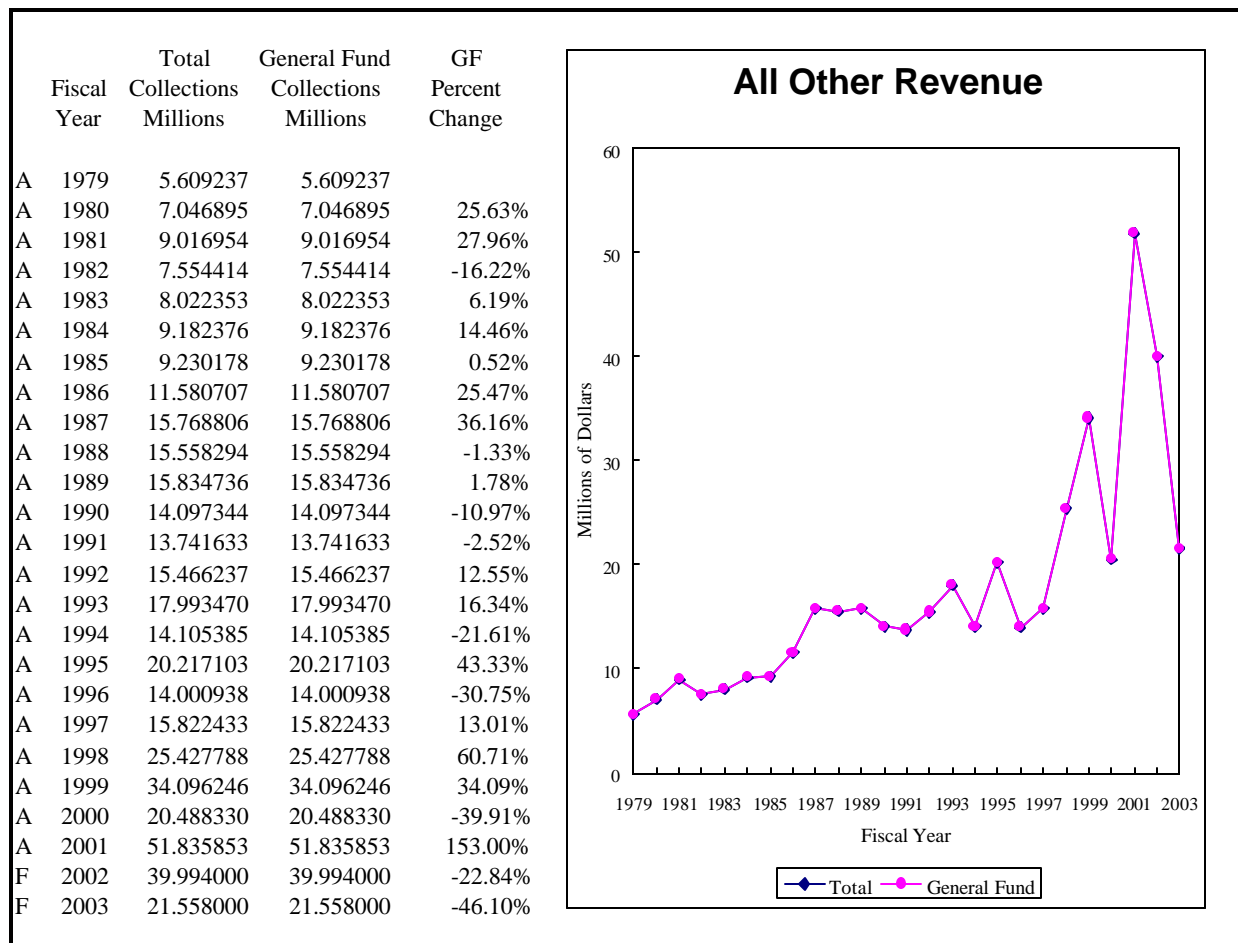
**Revenue Description:** There are a number of other taxes, fees, and fines that historically have generated less than \$2.5 million each in annual general fund revenue. In addition, the statutes governing these miscellaneous taxes, fees, and fines are frequently changed, making the comparison of tax years difficult.

“All Other Revenue” sources are estimated in aggregate except for the following: investment license transfers, land grant transfers, civil fines, gross vehicle weight fees, lodging facility use tax, Montana University System debt service deposits, deposits by state agencies for SABHRS debt service, and wildfire cost reimbursements.

**Applicable Tax Rate(s):** Various

**Distribution:** “All Other Revenue” is deposited in the general fund.

### Revenue Projection:



# **LFD COMMENT**

Revenue from this source is 22 percent above the HJR 2 projections. The biennial difference between the LFD and the executive projections for this source is \$1.14 million, with a negligible difference in fiscal 2002 and a difference in fiscal 2003 of \$1.0 million.

The LFD and executive projections are similar for most of the revenue sources contained in the “all other” category. The main reason for the difference in the projections is an estimation of wildfire costs in fiscal 2003 by the LFD. An estimated \$7.3 million general fund expenditure for wildfire costs is included in the LFD balance sheet. Because a portion of the state’s costs is reimbursed and deposited to the general fund, the LFD projection for this revenue source includes \$1.9 million of additional revenue. The executive projection does not include any estimate for wildfire costs in fiscal 2003 or any reimbursement revenue.

All Other Revenue (in millions)					
	Fiscal Year	HJR 2	Wildfire Reimbursements	Additional Changes	Total G.F.
LFD	2002	\$32.715	\$1.899	\$5.380	\$39.994
	2003	22.634	0.000	(1.076)	21.558
Executive	2002	32.715	0.000	7.139	39.854
	2003	22.634	0.000	(2.076)	20.558

(in millions)	Fiscal 2002			Fiscal 2003		
	HJR	Exec	LFD	HJR	Exec	LFD
Estimates	\$32.715	\$39.854	\$39.994	\$22.634	\$20.558	\$21.558
Difference	-	7.139	7.279	-	(2.076)	(1.076)

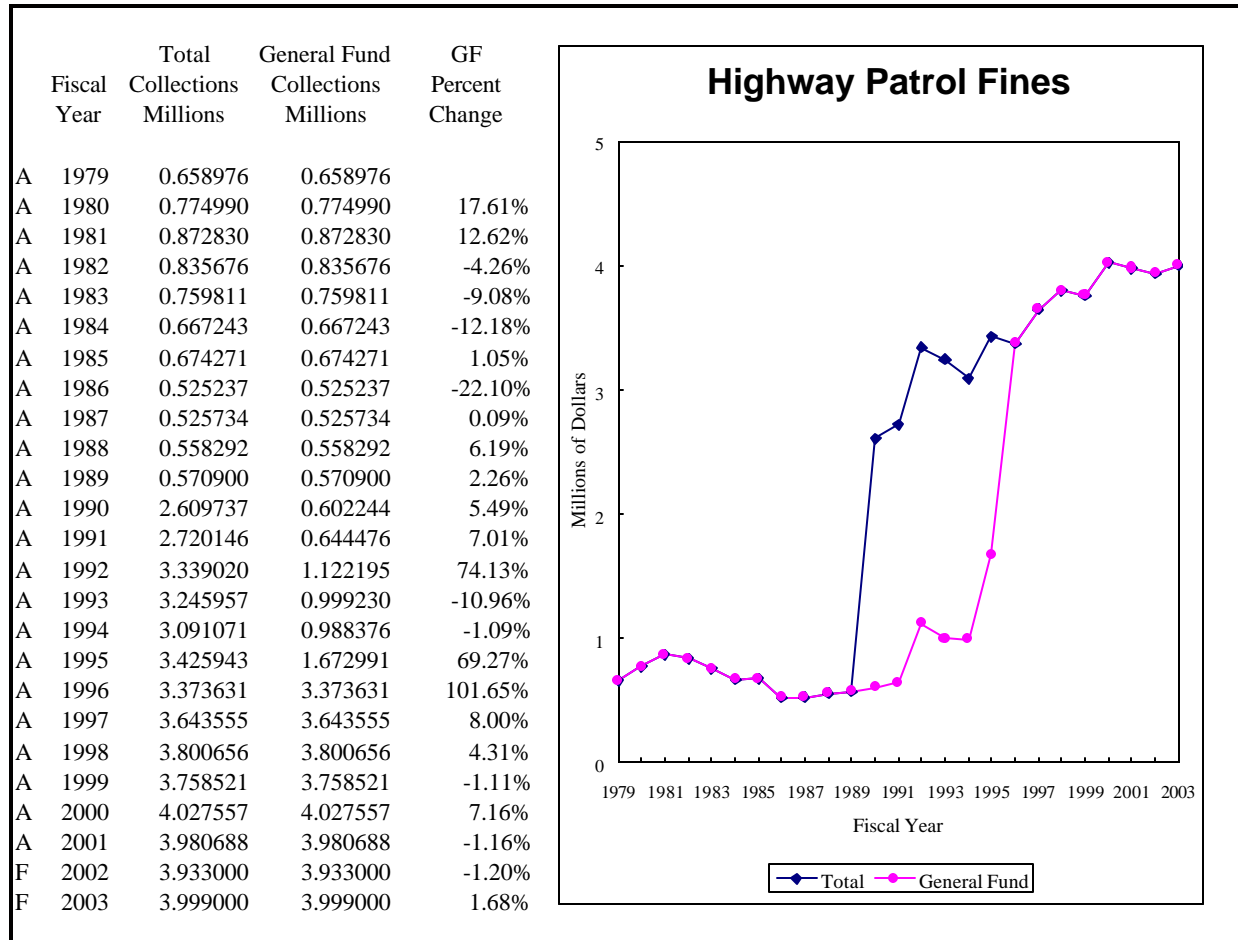
## HIGHWAY PATROL FINES

**Revenue Description:** The Montana Highway Patrol issues citations for speeding, driving under the influence of alcohol or drugs, and other misdemeanors. Fines and forfeitures associated with these citations are collected by various state and local courts.

**Applicable Tax Rate(s):** N/A

**Distribution:** Highway Patrol fines and forfeitures on all offenses that result from citations issued by the Highway Patrol, except those paid to a justice's court, are deposited in the general fund.

### Revenue Projection:



(in millions)	Fiscal 2002			Fiscal 2003		
	HJR	Exec	LFD	HJR	Exec	LFD
Estimates	\$4.191	\$4.067	\$3.933	\$4.262	\$4.087	\$3.999
Difference	-	(0.124)	(0.258)	-	(0.175)	(0.263)

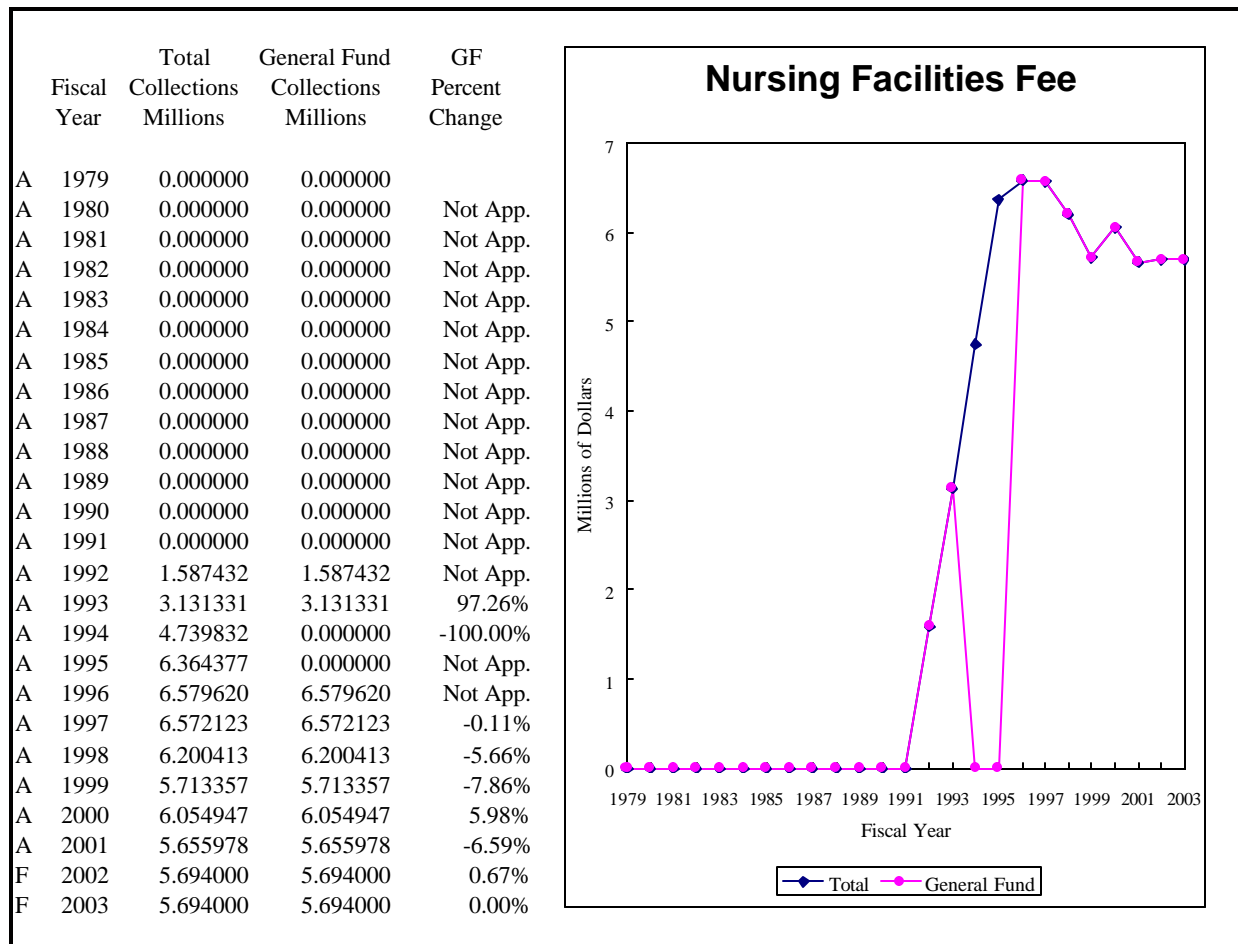
## NURSING FACILITIES FEE

**Revenue Description:** Qualified nursing facilities are required to pay a utilization fee of \$2.80 per bed day. Nursing facilities are health care facilities licensed by the Department of Public Health and Human Services and include those operated for profit or non-profit, freestanding or part of another health facility, and publicly or privately owned. According to federal definitions, nursing facilities do not include adult foster homes, retirement homes, and other alternative living arrangements. Bed days are defined as a 24-hour period in which a resident of a nursing facility is present in the facility or in which a bed is held for a resident while on temporary leave.

**Applicable Tax Rate(s):** \$2.80 per bed day

**Distribution:** All nursing facility fee revenue is deposited into the general fund.

### Revenue Projection:



(in millions)	Fiscal 2002			Fiscal 2003		
	HJR	Exec	LFD	HJR	Exec	LFD
Estimates	\$5.547	\$5.674	\$5.694	\$5.575	\$5.693	\$5.694
Difference	-	0.127	0.147	-	0.118	0.119

## PUBLIC INSTITUTION REIMBURSEMENTS

**Revenue Description:** The Department of Public Health and Human Services receives reimbursement for the cost of sheltering and treating residents at the Montana Developmental Center (MDC), the Montana Mental Health Nursing Care Center, Montana State Hospital (MSH), Eastern Montana Veterans' Home, Eastmont Human Services Center, Montana Chemical Dependency Treatment Center, and the Montana Veterans' Home. There are four sources of reimbursement income: 1) state and federally matched Medicaid monies; 2) insurance proceeds from companies with whom the resident is insured; 3) payments by residents or persons legally responsible for them; and 4) federal Medicare funds. Most of the reimbursements come from federal Medicaid payments.

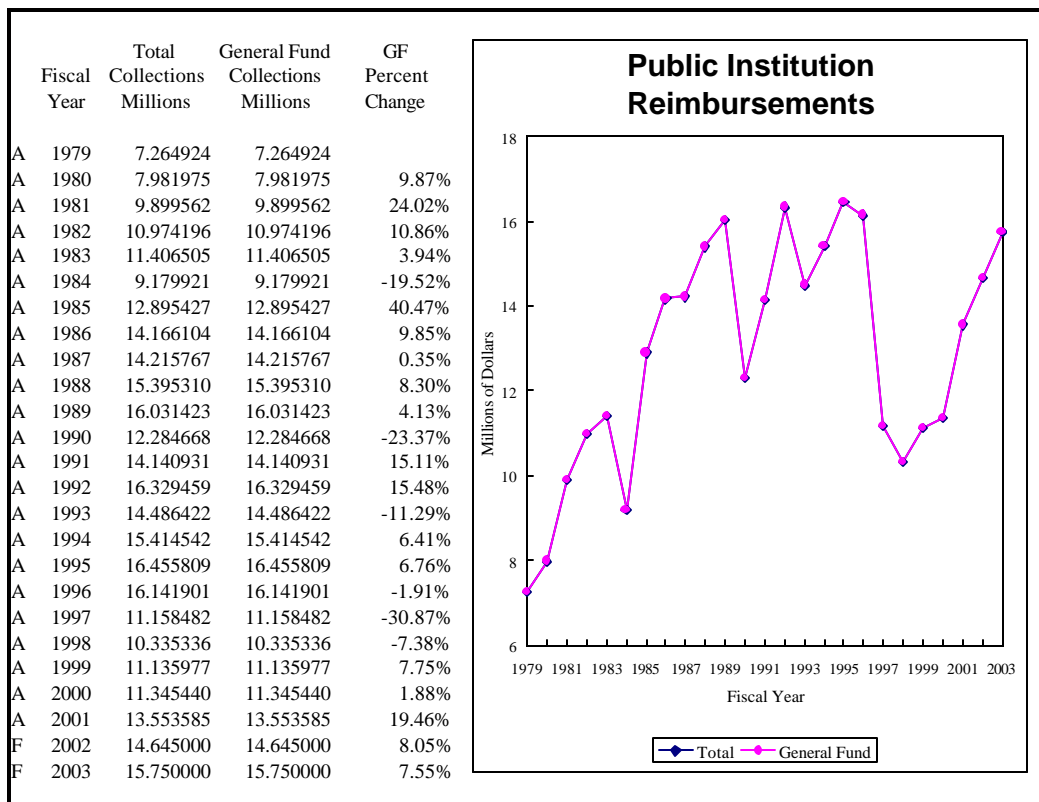
Three variables determine the level of Medicaid nursing home payments: 1) the number of patient days eligible for Medicaid reimbursement; 2) the reimbursement rate per patient day; and 3) the private resources of Medicaid patients.

**Applicable Tax Rate(s):** N/A

**Distribution:** Revenue collected from the above sources are deposited in the general fund with the following exceptions:

1. Reimbursements from MDC and MSH are first used to pay debt service on bonds issued to fund construction at these facilities. The remainder is deposited into the general fund.
2. Reimbursements received for the Veterans' Home and Montana Chemical Dependency Treatment Center are deposited into a state special revenue account and appropriated to the institutions.
3. Medicaid payments from the Montana Mental Health Nursing Care Center and MSH are deposited into the federal fund and appropriated for the mental health programs.

### Revenue Projection:



**LFD  
COMMENT**

The difference between the executive and LFD projections for public institution reimbursements revenues can be traced to the anticipated revenues from the Montana State Hospital. The LFD projects higher revenues from these sources than the executive. The projections are of \$14.6 million and \$14.3 million for the LFD and the executive respectively in fiscal 2002, and \$15.8 million and \$14.9 million for fiscal 2003.

The LFD relies on information from the Department of Public Health and Human Services (DPHHS) to estimate this source. The executive prepares their own projections using reimbursements and care days for previous years and plans for future care days provided by DPHHS. Changes have occurred in the ability to collect Medicaid from the federal government, which favorably affected the reimbursement revenues. Though the HJR 2 projections included the increased payments, the magnitude of the change was not fully recognized. The LFD carries the fiscal 2002 projection for MSH and MMHNCC through to 2003 because DPHHS has stated that collections for fiscal 2003 will be the same as those in fiscal 2002.

<b>Public Institution Reimbursements</b>			
(in millions)			
	Fiscal Year	MDC and Eastmont	Total G.F.
LFD	2002	\$11.837	\$14.645
	2003	12.963	15.749
Executive	2002	11.478	14.299

(in millions)	<b>Fiscal 2002</b>			<b>Fiscal 2003</b>		
	<u>HJR</u>	<u>Exec</u>	<u>LFD</u>	<u>HJR</u>	<u>Exec</u>	<u>LFD</u>
Estimates	\$12.521	\$14.299	\$14.645	\$12.932	\$14.932	\$15.750
Difference	-	1.778	2.124	-	2.000	2.818



# TOBACCO SETTLEMENT

**Revenue Description:** Montana receives revenue as a settling party to a Master Settlement Agreement with four original tobacco companies and 25 subsequent companies to end a four-year legal battle with 46 states, Puerto Rico, American Samoa, the U.S. Virgin Islands, the North Mariana Island, Guam and the District of Columbia (52 total settling entities).

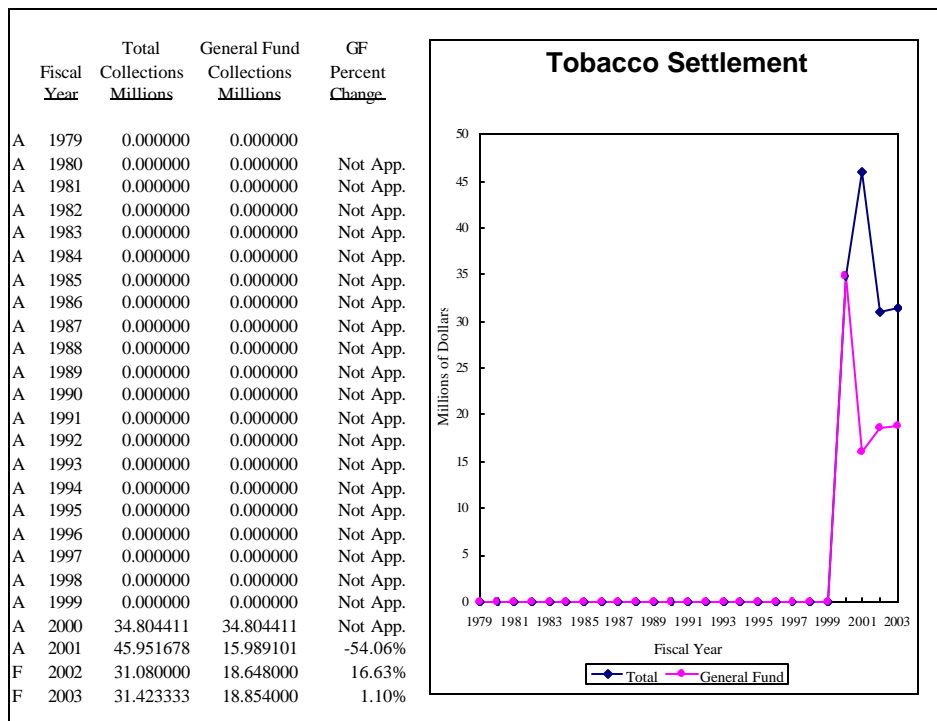
Montana is eligible for four types of payments: 1) reimbursement for legal costs (received December 1999); 2) five initial payments (Two were received in fiscal 2000. One each year is expected in fiscal 2001, 2002, and 2003); 3) on-going annual payments; and 4) strategic contribution payments (from fiscal 2008 through 2017). The Master Settlement Agreement places no restrictions on how the money is to be spent.

The total amount of tobacco settlement funds available to Montana may be affected by a number of adjustments. These include inflation, sales volume changes, operating income of the original four tobacco companies, number and operating income of subsequent participating manufactures, number of state reaching state specific finality, settlements reached by the four states not party to the agreement (Florida, Texas, Minnesota, and Mississippi), litigation offsets, and federal tobacco legislation offsets among others.

**Applicable Tax Rate(s):** NA

**Distribution:** Due to passage of Constitutional Amendment 35 by the electorate in November 2000, the legislature is required to dedicate not less than 40 percent of tobacco settlement money to a permanent trust fund. The remainder of the money is deposited into the general fund. Since the legislature has not yet determined the exact percentage to be deposited to the trust fund, the revenue estimate assumes 40 percent.

## Revenue Projection:



(in millions)	Fiscal 2002			Fiscal 2003		
	HJR	Exec	LED	HJR	Exec	LED
Estimates	\$18.925	\$18.647	\$18.648	\$19.147	\$18.916	\$18.854
Difference	-	(0.278)	(0.277)	-	(0.231)	(0.293)